



## Transmission Business Line (TBL)

### Customer Comments and TBL Responses to BUS 001.1

### Application Process for Transmission Service, Version 1

Posted January 27, 2003

This document contains the customer comments for, and the responses to those comments from Bonneville Power Administration Transmission Business Line (TBL) for the Application Process for Transmission Service, Version 1 business practice.

TBL thanks all of the customer representatives who provided input on this business practice both in comments submitted in response the posting and in person at the Business Practice Technical Forum. Your input was very helpful and is much appreciated.

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#### Table of Contents

PacifiCorp Merchant Function.....	1
Powerex .....	2
Bonneville Power Business Line (PBL):.....	3
TransAlta .....	4
Additional Comments from the Business Practice Forum Meeting .....	6

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#### PacifiCorp Merchant Function

PacifiCorp submitted the following comments to the [businesspractice@bpa.gov](mailto:businesspractice@bpa.gov) email box on Wednesday 11/19/2003 9:45 a.m.

##### Section 4. Queue Time

##### B. Short-Term PTP Requests

*In order for the request to remain in the queue, within two hours after receipt of the request, TBL must receive the information regarding the application deposit required by Section 5.C of this Business Practice. If TBL does not receive this information within two hours, the request will be declined.*

PacifiCorp Merchant will not be able to meet the requirements of Section 5C2. for Short Term PTP Service. Specifically the details regarding Deposit Payment Method Information. PacifiCorp believes the **two hours** required by Section 4B is unreasonable. PacifiCorp does not have the ability to provide Bonneville within 2 hours Deposit Payment details as described in Section 5C2. PacifiCorp proposes **5 working days** as the requirement for Deposit Payment Information. Other requirements in Section 5C2 are acceptable but the Deposit Payment Information is

unreasonable, and PacifiCorp would suggest it might also be unacceptable to other Public agencies as well.

***TBL Reply:***

*Thank-you for taking the time to review and comment on this business practice. TBL is removing the requirement for application deposits on short-term firm transmission requests and adopting 5 working days for receipt of deposits for long-term requests.*

**Powerex**

Powerex submitted the following comments to the [businesspractice@bpa.gov](mailto:businesspractice@bpa.gov) email box on Tuesday 11/25/2003 8:00 a.m.

To Whom It May Concern:

Thank you for providing an opportunity to comment on the Transmission Business Line's (TBL) draft Business Practice entitled, "Application Process for Transmission Service". We have reviewed the posting dated 10 November, 2003 and as a result, will be repeating much of our previously submitted comments (See 10 October 2003 e-mail from Gordon Dobson-Mack to Tom Noguchi on TBL's Notice of Implementation of Deposit for Transmission Service Requests).

TBL's Proposal to Determine Queue Priority Based Upon When Deposits are Received is Contrary to FERC Policy TBL's proposed Business Practice is inconsistent with FERC standards. According to Section 4. Queue Time, TBL's proposed queuing order requires deposit information within two hours after receipt of a request and a deposit within 72 hours of the written application. As determined in the dispute involving Idaho Power Company and PacifiCorp (95 FERC ¶ 61,476 (2001)), FERC stated: We acknowledge that Section 17 of PacifiCorp's OATT establishes the procedures at transmission customer must follow to receive firm point-to-point transmission service. However, Section 17 does not establish the criteria for determining transmission queue priority. Rather, the Commission's Order 638 provides that OASIS requests should be evaluated and granted priority on a first-come, first-serve basis established by "OASIS QUEUED" time, all else being equal. We believe that TBL is proposing to implement a business practice that is in direct conflict with the Order No. 638 requirement that OASIS requests be evaluated and rewarded on a first-come, first-served basis, regardless of when a Completed Application is submitted, including when a deposit it made. TBL's proposed Business Practice must be modified and made consistent with FERC policy.

***TBL Response***

*We appreciate your response and the information you provided. While the tariff does allow a transmission provider to require the application deposit (for Point-To-Point service - see Section 17.3 and for Network Integration (NT) service see Section 29.2), TBL will not require the receipt of the deposit prior to entering the request into the queue. After reviewing the case cited above, the Application Process business practice was changed to reflect that TBL will enter the long-term PTP service requests and NT service requests into the queue as soon they are received regardless of whether information was provided about how the application deposit will be paid.*

*Customers will then be allowed 5 business days from the point at which the request was submitted for BPA to actually receive the application deposit dollars. If the application deposit is not received in that time period, the application will be declined on the basis that it is incomplete. Note, however that if the information regarding the payment of the application deposit is not received within the 5-day*

*window to help BPA match the payment of the application deposit to the specific transmission request, TBL cannot be responsible for any inability to do so.*

*Further, no application deposit is required for short-term requests.*

TBL's Requirement That Customers Fax Requests for Long-term Service is Inconsistent with FERC Standards According to Section 1. Application Policy, TBL is requiring customers to fax requests for long-term firm transmission service. This is inconsistent with FERC standards. TBL's OASIS is not compliant with FERC's OASIS regulations, OASIS Business Practice Standards and OASIS Standards and Communication Protocols.

***TBL Response***

*This business practice does not change the methods by which a customer may submit a request for long-term PTP service or NT service. While TBL is aware of FERC's OASIS regulations and customers' desire for the ability to make long-term PTP and NT transmission service requests over the OASIS, that effort is unrelated to the implementation of this business practice. TBL will provide more information regarding its ability to receive long-term requests over the OASIS as it becomes available.*

TBL's Deposit Procedures are Overly Cumbersome. While TBL's tariff allows it to require deposits for long-term and short-term requests for service, TBL's procedure is overly cumbersome. Given that the deposit requirement is intended to reduce the multiplicity of requests for long-term service, we recommend that deposits not be required for monthly or short-term service requests. Also, the information requirements will subject TBL's customers to being eliminated from the queue, e.g., the prepayment option requires customers to indicate, at the time of prepayment, the type of service, as TBL is requiring prepayment for at least the first month of the requested service. This is impossible, especially in the short-term market.

***TBL Response***

*The application deposit requirement will not be implemented for short-term service. The period of time allowed for TBL to receive the application deposit for long-term requests has been increased to five days.*

**Conclusion**

We strongly believe that if TBL had an OASIS that was compliant with Order No. 638, it would solve the many problems that it tries to solve with "workaround" proposals. We recommend that TBL update its system to allow customers to enter requests on the OASIS and to enable them to rely on the posted Available Transmission Capacity in order to eliminate queuing confusion and bring the region the transparency it deserves in the Pacific Northwest transmission market.

***TBL Response***

*See above response to Powerex's previous comment regarding inconsistency with FERC standards.*

**Bonneville Power Business Line (PBL):**

PBL submitted the following comments to the [businesspractice@bpa.gov](mailto:businesspractice@bpa.gov) email box on Tuesday 11/25/2003 12:47 p.m.

- a. Statement: "All long-term firm PTP transmission service requests, short-term firm PTP service request of one month or longer, and NT requests require a deposit."

COMMENT: We support the idea that customers need to shoulder some of the costs associated with the administration of the OASIS web site and studies associated with ATC. However, we believe charging a "deposit" on monthly reservation places an unnecessary administrative burden on your customers. We recommend charging a deposit only for applications of 1-year or longer.

Thank you for offering us the opportunity to comment on this policy.

***TBL Response:***

*Thank you for taking the time to review and comment on this proposed business practice. TBL is removing the requirement that customers pay an application deposit for short-term transmission requests.*

**TransAlta**

TransAlta submitted the following comments to the [businesspractice@bpa.gov](mailto:businesspractice@bpa.gov) email box on Tuesday 11/25/2003 3:57 p.m.

Thank you for the opportunity to comment on this Business Practice. TransAlta's comments and questions that follow are preceded by the section number of the issue being addressed.

General Comment:

What is the purpose of this Business Practice as applied to short-term requests? TransAlta can only assume that it is an attempt to reduce the number of requests submitted by customers (thus reducing BPAT's administrative burden), but there is already an existing Business Practice in place that limiting customers to five requests per day. Please explain.

***TBL Response***

*Thank-you for taking the time to provide comments on this business practice. The business requirements for this business practice are unrelated to the five requests per day limitation currently in effect because some processes must be done manually. TBL is implementing the application deposit to help manage the transmission queue by creating a modest cost to submission of a transmission request. TBL does not in any way desire to decrease the number of transmission requests that customers intend to use if granted.*

**Section 3**

In the event that OASIS is non-operational, requests may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line.

***TBL Response***

*TBL is removing the requirement that customers pay an application deposit for short-term transmission requests. However, more clarification has been provided regarding submission of short-term requests.*

**Section 4. A.**

There is no reason why the queued time for long-term requests should be treated differently than short-term requests. What is the rationale for delaying the queued time of long-term until AFTER receiving application deposit information.

**TBL Response**

*The business practice has been changed to reflect that both types of requests are queued when received. It has also been changed to reflect that application deposits are not required for short-term requests.*

Section 4. B. C. and Section 5. C.

The time lines required for providing information about the deposit, and then delivering the deposit are unrealistic. They suggest that BPAT is not familiar with the limits and controls prudent Accounts Payable Departments must operate within. TransAlta may be unique, but the required information about the deposit is simply not available within two hours. An example: The ACH trace number, which we receive from the sending bank, isn't sent to us until the NEXT DAY. Further, the trace number is meaningless because it refers to a batch payment uploaded to the bank, offering no detail about individual payments within the batch.

What allowances are made for requests submitted outside of typical business hours? OASIS is a 24/7/356 environment. Are customers expected to have Accounts Payable staff on hand to cut checks or initiate approvals for wire transfers at all hours? Will BPAT have appropriate staff on hand at all times to confirm the validity of payment information?

TransAlta suggests that if customers are going to be held to firm time lines, they must at least be achievable.

**TBL Response:**

*TBL has modified the required timelines to make them more usable. The parties will have 5 business days for BPA to receive the application deposit.*

*In addition, TBL has made provision of the Fed reference number or the ACH trace number via the required email optional (to be done if the information is known at the time the email is sent). However, the customer will still need to be able to supply that information if requested by BPA.*

Section 5. C. 2.

E-mail is unreliable. The timeliness of delivery is often dependent on mail servers and internet service providers that are beyond the customer's control. What mechanism does BPAT propose to confirm receipt of e-mails? After a customer sends an e-mail, how will they determine that it arrived?

**TBL Response:**

*TBL suggests that customers send the email with a return receipt feature so that the customer will be notified when the email is opened. In addition, TBL has set up the email box such that it will automatically send a return email to confirm receipt of the customer information. Finally, customers are welcome to contact their AE to determine when TBL receives the application deposit.*

**Section 5. D.**

Customers are being asked to provide detailed information about their deposits. What information will BPAT make available to customers, such as account number and location, current FERC rates, etc...? How quickly will BPAT return deposits?

***TBL Response***

*TBL receives payments for a number of reasons. The information about the deposit will help to expedite timely matching of deposit to the specific transmission request and separate it from payment for transmission services received.*

*Information about sending payment to the lockbox is included in the business practice. For current instructions for submitting deposits by EFT, contact your AE.*

*Current FERC rates are posted on the FERC website.*

*TBL has modified this business practice to reflect that customers' application deposits will be refunded within five business days of withdrawal, refusal, or start of service.*

The long-term queue shows many examples of requests that were unsuccessful due to lack of ATC, seemingly without detailed study. What support can BPAT provide that justifies the \$2,500 processing fee? How was that amount calculated?

***TBL Response***

*\$2500 is the amount that TBL previously charged and was approved by FERC.*

**Additional Comments from the Business Practice Forum Meeting**

*Thank you so much for the input provided at the Business Practice Forum on this proposed Business Practice. It was extremely helpful to us in making decisions regarding the issues your raised.*

*Customers indicated that three business days was a fairly tight timeline for receipt of payment of the application deposit. TBL has changed the timeline to five business days for receipt of payment of the application deposit.*

*Customers requested the ability to use a letter of credit or a standing deposit to meet the requirement for an application deposit. Because TBL has removed the requirement that application deposits be paid on short-term transmission requests and because tracking of such mechanisms would be an additional burden on scarce staff resources, TBL will not add either of these mechanisms as approved methods for paying the application deposit.*

*Customers requested that TBL commit to calling them prior to removing a request from the queue for non-receipt of an application deposit. TBL is unable to make that commitment. We encourage you to communicate with your Account Executive to confirm that your payment has been received before the deadline.*